

**CITY COUNCIL STUDY SESSION ON
EVERGREEN*EAST HILLS VISION STRATEGY**

SAN JOSÉ, CALIFORNIA

MONDAY, APRIL 30, 2007

The Council of the City of San José convened in Study Session at 1:07 p.m. in Council Chambers, City Hall Council Wing, San Jose, California.

Present: Council Members - Campos, Chirco, Constant, Cortese, Liccardo, Nguyen, Oliverio, Pyle, Williams; Reed.

Absent: Council Members - None.

Vacant: - District 4.

Staff: City Manager Les White, City Attorney Richard Doyle, Director of Planning, Building and Code Enforcement Joseph Horwedel, Assistant Director of Planning, Building and Code Enforcement Laurel Prevetti, City Clerk Lee Price and Legislative Secretary Susan Davis.

Documents Filed: (1) Memorandum from Director of Planning, Building and Code Enforcement Joseph Horwedel, dated April 20, 2007, recommending acceptance of the Evergreen*East Hills Vision Strategy Update, with direction to Staff, including preferred Policy Option #5 and/or Policy Option #3 or Policy Option #4; and transmitting the Evergreen*East Hills Vision Strategy Update Report. (2) Staff powerpoint presentation dated April 30, 2007 entitled Evergreen-East Hills Vision Strategy providing vision and expected outcomes. (3) Staff powerpoint presentation entitled Evergreen – East Hills Area Residents, dated April 30, 2007. (4) Correspondence from Richard H. Lambie, dated April 30, 2007, representing the Edmund A. and Mildred K. Mirassou trust, dated 5/11/81 regarding the development at 3000 Aborn Road. (5) Correspondence from Joan R. Gallo, Hopkins & Carley, dated April 27, 2007, expressing opposition to the Evergreen Valley Community College District proposal for a full service grocery store. (6) Electronic mail from Traci Mason dated April 19, 2007, urging Council support of retail and commercial office development rather than grocery or housing development at the Evergreen College site. (7) EEHV Owners Funding Proposal dated April 19, 2007. (8) Evergreen School District handout detailing cost for the addition of two new schools and additional notes listing other areas of concern.

The outcome of the study session is to: (1) understand the key elements of the Evergreen East Hills Vision Strategy. (2) Discuss the results of the fiscal and financial analyses performed on the proposal. (3) Engage with key property owner and community stakeholders on Evergreen East Hills Vision Strategy. (4) Receive direction from City Council on the Evergreen East Hills Vision Strategy policy options.

Overview of the Evergreen*East Hills Vision Strategy

Assistant Director of Planning, Building and Code Enforcement Laurel Prevetti presented an overview of the Evergreen*East Hills Vision Strategy. Deputy Director of Transportation Hans Larsen outlined the traffic policy emphasizing the challenges presented by the many physical barriers in the Evergreen region. Assistant Director Prevetti concluded the overview by summarizing the various methods of community outreach undertaken including open public task force meetings, community workshops and neighborhood meetings.

Council questions followed the presentation by staff.

Results of the Fiscal and Financial Analyses

Debbie Kern, Keyser Marston Associates, Inc. summarized the Draft Fiscal Impact Analysis. Tim Kelley, Keyser Marston Associates, Inc. presented the Evaluation of Property Owners Group Financial Proposal.

Council discussion followed.

Panel Discussion with Major Property Owners and Community Members

Individual group panel presentations followed.

Panels comprised of Steve Dunn (Legacy Partners), Jerry Hench (Wayne Mason Associates), Forrest James (Xilyn), Steve Cox (Chamber of Commerce), Joe Head (KB-Summerhill Homes), and Carl Berg, from the developer arena; Clifton Black, Jim Crawford, Bob Nunez and George Perez, from the school district arena; and Jim Zito, Sylvia Alvarez and Bob Levy representing the community.

Council Member Campos requested additional information prior to the next Council discussion as to the possible scenarios and solutions for the small and large property owners in funding the Highway 101 improvements.

Public Comments

Richard Lambie (representing Mirassou Trust) urged Council to finalize this process so that his client may go forward with their development plan.

Mark Lazzarini (DAL Properties LLC) requested that small property owners not be forgotten in this process.

Public Comments (Cont'd.)

Ike White (Pleasant Hills Neighborhood Association) stressed the importance of incorporating the desires of the task force recommendations.

Alan Covington (Evergreen resident and task force member) spoke regarding the City's desire for a varied inventory of lands for job growth but suggested a mixed industrial overlay so as to mitigate traffic impacts.

Erik Schoennauer (Trumark Companies representing the Mirassou Property) encouraged Council to move forward with a policy alternative that would allow appropriate and reasonable infill development in the Evergreen area.

David Zenker (Falls Creek Neighborhood Association) asked Council to listen to the Evergreen College neighbors who have said they are opposed to a grocery store on this location.

Kelly Erardi (Shapell Industries representing the Evergreen Village Center) stated the approval of a grocery store at the College site jeopardizes their ability to secure tenants for the final phase of their development yet to be completed.

Ed Abelite (Canyon Creek Plaza) urged Council to oppose allowing a grocery store within such close proximity to eleven other grocery stores in that area and to adopt the policy recommended by Planning Staff of limiting any development to 20,000 square feet.

Bonnie Mace directed questions to Council including: status of funding agreement; joint use agreements with school districts; improvement to quality of life; balance of amenities; balance in pains and gains; fiscal neutrality; predictability of pool units; and reasonable developer contribution. Mayor Reed suggested additional questions be put in writing and handed to staff prior to leaving the meeting.

Michael Hill (San José/Evergreen Community College District) stated the limitations posed by the 20,000 square foot retail limit but added that they also support the community's desires for use of this location.

Bob Rivet expressed concern that an additional 5,000 new dwelling units could cause the Evergreen area to be an undesirable, overcrowded community and asked that Council consider the task force's lowest dwelling unit recommendation or even lower.

Kari Peterson stated she lives across from Hitachi and believes Evergreen already has serious commute issues and agrees with Mayor Reed that industrial uses could reduce the number of commuters and freeway congestion.

George Reilly (CPS Commercial Real Estate) relayed his experiences and inability to secure tenants in the Evergreen area due to the low square footage available for use.

Gracie Ramos (Meadowfair Neighborhood Association) suggested the City could improve its communication with the neighborhoods using Spanish translated announcements.

Council Member Chirco left the meeting at 5:00 p.m.

Range of Policy Options and Council Direction

Action: Upon motion by Vice Mayor Cortese, seconded by Council Member Nguyen, and carried, the following motion was based primarily on Attachment A of Joint Council memorandum, dated December 12, 2006, Item 10.9 to: (1) Allow staff to return by May 15, 2007 with an executed developer agreement that staff believes Council will accept and which incorporates a funding agreement using Prop 1b monies and that requires maintaining Service Level "D" for properties not part of these opportunity site studies; (2) Include affordable housing at 20% on Arcadia and 40% on Evergreen Valley College property; (3) Draft joint use agreements with the school districts prior to General Plan amendments being approved to lessen impacts on schools; (4) Include in the first phase of the funding agreement the top five amenities and facilities as noted in Attachment A, Evergreen Little League Complex, Arcadia Community Center, Fowler Creek Park Phases 2 & 3, and Pleasant Hills Multiuse Building/Community Center; (5) Accelerate the phasing schedule at the 19%, 29% and 39% build out levels; (6) Set aside a minimum of 45 acres for park land and green belt open space assuming joint use agreements and funding agreements with school districts; (7) Include donation of land by property owners for Fire Station 21; (8) Return with funding agreement that accounts for a one-third reservation of employment land retention on campus industrial property and an area development policy exceeding 4730 units in the entire development area; (9) Establish a 20,000 square foot limit for a supermarket on the Evergreen College property with the possibility of being lifted after 5 years or by prior recommendation through the General Plan update process; (10) Allow a 500 residential pool unit maximum, not minimum, with separate traffic impact fee dramatically reduced from what opportunity sites pay; (11) Include full funding by property owners of the 101 corridor and all transportation infrastructure as described in staff presentation; (12) Continue to pay school impact fees to East Side Union High School District rather than one-time programmatic fees; and (13) Limit the Arcadia development to a maximum of 200,000 square feet of commercial property as opposed to 300,000 staff recommended. (6-3-1. Noes: Liccardo, Oliverio; Reed. Absent: Chirco.)

Vice Mayor Cortese added that should negotiations fail and a funding agreement not developed, Staff was requested to return to Council for further discussion of Option 6.

Mayor Reed adjourned the Study Session at 5:36 p.m.

Minutes Recorded, Prepared and Respectfully Submitted by,

Lee Price, MMC
City Clerk

smd/4-30-07 EVERGREEN MIN

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